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EUR/WE FOR ELAINE SAMSON, STACIE ZERDECKI
OSD FOR MAGGIE SADOWSKA
JCS FOR LTC THERESE PAWLOWSKI
KABUL FOR POLAD SHERWOOD MCGINNIS
KABUL PLEASE PASS TO QAL-E-NOW PRT SHANNON FARRELL
BOGOTA FOR COL MARK WILKINS, DATT

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SUBJECT: SCENESETTER FOR MOD CHACON'S JUNE 30 - JULY 2
VISIT TO WASHINGTON, DC

REF: A. SADOWSKA E-MAIL JUNE 22 READOUT OF CUESTA MEETINGS

1B. MADRID 551
1C. DAO MADRID IIR 6 889 0175 09
1D. MADRID 201
1E. 2008 MADRID 1281
1F. 2008 MADRID 678
1G. MADRID 432

Classified By: Charge D'Affaires Arnold A. Chacon for reasons 1.4 (b) and (d)

11. (SBU) SUMMARY: When Spanish Defense Minister Carme Chacon arrives in Washington June 30, she will be looking among other things to restore and consolidate her image as the rising star and heir-apparent of President Zapatero's cabinet. Since taking office in April 2008, Chacon has talked of the importance she places on close ties with her U.S. counterparts and of her desire to go to Washington. The first woman to head Spain's Ministry of Defense and the first Minister to give birth while in office, Chacon met with only one bilateral ambassador, then-U.S. Ambassador to Spain Eduardo Aguirre, during her 2008 maternity leave (ref F), as a demonstration of the significance of the bilateral relationship. Twice nominated and invited previously to participate in the 2002 and 2003 U.S. International Visitor Programs, Chacon had up to that point never traveled to the United States and has yet to do so in an official capacity. Although well connected and politically savvy, her relative inexperience in defense issues, particularly in coordination among NATO allies, has led to mis-steps and put her on the defensive against opposition attacks in the lead-up to June 7 European Parliament elections. On the eve of her July 1 meeting with Secretary Gates, Chacon has more to prove domestically than ever before. While the conservative opposition has used a series of recent faux pas for political mudslinging, Chacon's personal standing is undiminished, and in public opinion polls she is held in higher regard than Zapatero. USG interlocutors should by no means underestimate her, or the importance ministry places on a successful visit. While the focus of Chacon's trip will be bilateral issues -- including the U.S.-Spain Agreement on Defense Cooperation (ADC) and U.S. plans to re-open the KC-30 tanker competition -- she will review existing operations including Spanish participation in Afghanistan and in counter-piracy efforts, as lead in the EU Atalanta mission. She is also expected to address GOS interest in closer U.S.-EU ties and civilian-military coordination during Spain's European Union (EU) Presidency January-June 2010. While in Washington, she will also lay a wreath at Arlington National Cemetery,

decorate former CJCS Peter Pace and former SACEUR NSA James Jones, and address the Organization of American States. END SUMMARY.

//BILATERAL RELATIONS//

¶12. (SBU) U.S.-Spain relations are strong and based on shared global interests. Spain is an important friend and ally of the U.S., and we value its cooperation in the fights against terrorism and narcotics and on security issues. Spain has approximately 3000 troops deployed in hot spots such as Afghanistan (over 800), Lebanon (over 1,100), Bosnia (approximately 260), Indian Ocean / Somalia (over 300), Kosovo (nearly 500), and in various UN & EU observer missions. Spain announced at international conferences in March and April a temporary increase of 450 troops in Afghanistan to assist with forthcoming elections. Spain has long fought a domestic terrorist threat from the Basque terrorist group ETA and suffered tragically from Islamic extremist terrorism in the 2004 Madrid train bombings. Since winning a second term in March 2008, but especially since the U.S. election in November 2008, President Zapatero has publicly and privately stressed his desire to further improve bilateral relations, and a strong atmosphere of goodwill has emerged in Spain for closer bilateral cooperation. As a gesture of this goodwill, the GOS presently is considering accepting up to five of the detainees currently held Guantanamo. Counter-terrorism and law-enforcement cooperation is strong, as are commercial and cultural relations (e.g., tourism). Finally, Spain is a leader in renewable energy technologies and has important investments in the U.S. in this field (e.g., wind and solar), as well as in road construction projects. The relationship will be of

increasing importance when Spain takes over the EU presidency in January 2010.

¶13. (SBU) Minister Chacon is visiting Washington on the heels of a very successful visit to Washington by her chief rival in the cabinet, Interior Minister Rubalcaba, who met with DHS and DOJ officials as well as intelligence chiefs June 23-24 (ref B). The two visits are but the latest in a series of high-level exchanges, including a presidential bilateral on the margins of the U.S.-EU Summit in Prague in April, a meeting between NSA Jones and King Juan Carlos I in Florida in February, and Foreign Minister Moratinos's February meeting in Washington with Secretary Clinton. At the end of May, U.S. Transportation Secretary LaHood became the first cabinet-level visitor to Spain on behalf of the Obama Administration, and Homeland Security Secretary Napolitano will travel to Madrid while Chacon is in Washington.

//POLITICAL OVERVIEW//

¶14. (SBU) In office since 2004, Zapatero won reelection to a second term in March 2008, but his center-left Spanish Socialist Workers Party (PSOE) is seven seats shy of a majority in the 350-seat Congress. More than a year of worse-than-expected economic news has led to widespread criticism of Zapatero and his economic policymakers for having downplayed the economic difficulties. Although popularity ratings for Zapatero and the Socialists are low, the conservative opposition Popular Party (PP) has struggled to capitalize on this, including by attacking Carme Chacon. The PP has suffered internal divisions and more recently has been dogged by corruption accusations. Nevertheless, Zapatero suffered his first serious political reverse since winning reelection when his party lost power in March 2009 regional elections in Galicia. Zapatero shuffled the cabinet April 7 as a response to criticism of the GOS' inability to resolve the economic crisis and with an eye to the June European Parliament elections. The most prominent change was the replacement of the Second Vice President and Minister of Economy/Finance. Even so, the PP secured more seats than the Socialists in the June 7 European Parliament elections, dealing a further blow to Zapatero.

//DEFENSE TIES//

15. (SBU) Spain is an excellent defense partner with whom the United States enjoys robust military-to-military relations based on cooperation within NATO, the U.S. presence at Spain's bases (approximately 1335 personnel primarily located at Naval Station Rota and Moron Air Base), and U.S. Foreign Military Sales (FMS) to Spain. The southern Spanish bases of Rota and Moron are strategic hubs, midway between the U.S. and theaters of operation in Afghanistan and Iraq. U.S. planes and ships account for approximately 6,000 flights and 200 port calls a year in Spain. Spain remains a leading U.S. FMS client, with USD \$3.2 billion worth of open FMS cases. The Spanish military, especially the Navy (SPN), is familiar with U.S. equipment and tactics. The SPN employs the AEGIS system on its frigates, and is interested in the Joint Strike Fighter (JSF). At the same time, the Spanish defense industry is a U.S. supplier, as with the United States Coast Guard (USCG) purchase of eight EADS-CASA CN-235-300M maritime patrol aircraft (245 million USD total). Overall, the Spanish military is pro-U.S. and pro-NATO.

//CHACON IN THE HOT SEAT//

16. (SBU) Chacon has been on the defensive against opposition attacks over her handling of a trifecta of thorny issues in the past three months. Spain's announced withdrawal of troops from KFOR in mid-March was widely criticized not for the substance of the decision so much as for the apparent lack of coordination -- since refuted by the GOS -- of the decision internally as well as with NATO Allies (ref C). Vice President Biden clarified to reporters March 28 in Chile that the U.S.-Spain bilateral relationship exceeded any disagreement over Kosovo, and Spanish leaders publicly touted "absolute (U.S.) understanding of the Spanish decision." Chacon survived a congressional censure motion brought by opposition critics over her handling of the withdrawal, which began the end of April and will be accomplished by the end of the summer.

17. (SBU) In mid-May, Chacon was again criticized for poor coordination and inadequate public information regarding an outbreak of H1N1 flu at a military academy outside Madrid. A group of school children had been allowed to visit the installation two days after the first symptoms were reported. Testifying May 26 in the Spanish Senate and May 27 in the Congress, Chacon fiercely defended her ministry's role in containing the H1N1 outbreak, insisted her ministry had followed all World Health Organization (WHO) protocols in coordinating with Spain's Health Ministry, and accused an opposition questioner of fear-mongering. (NOTE: Spain had at least 537 confirmed cases of the H1N1 virus by mid-June (up from 167 at the end of May), making it the most affected European country by virtue of daily flights from Mexico and various U.S. points of origin. All the victims are reported to have mild systems and be responding well to treatment. Health Minister Trinidad Jimenez announced June 12 her ministry would not continue to report new cases, in order to avoid the "numbers dance," since the origin of all the cases was clear. END NOTE.)

18. (SBU) The H1N1 incident is but one anecdote in a recent series of opposition attacks on perceived blunders by the Zapatero Administration in the lead up to European Parliament elections June 7, in which the Socialists fared poorly. On June 10, Chacon was forced to make statements denying Spanish involvement in detention of Israeli spies in Lebanon after a video conference with Spanish military commanders the previous week was broadcast by media who had been invited to film the onset of the meeting. The Defense Ministry later asserted the arrests were carried out by Lebanese Security Forces in an area of southern Lebanon controlled by Spanish troops in coordination with UNIFIL. The conservative opposition Popular Party continues to allege Chacon knows of Spanish involvement and has demanded she clarify the GOS's role in the operations. So far, Chacon seems to have

weathered and learned from the criticism and perhaps come out stronger for having kept her composure under pressure.

//CHACON'S WASHINGTON AGENDA//

¶ 9. (C) Post expects Minister Chacon will use her time with Secretary Gates to review current Spanish operations and to place a marker on future discussions of the Agreement on Defense Cooperation (ADC). She may also raise the long-term resolution -- important to Spain for supplying its troops in Afghanistan -- of the Manas Transit Base. Any discussion of industrial participation or pending defense contracts should be considered in the context of Spain's budget woes and severe recession. The latest OECD prediction is that the Spanish economy will shrink by 4.2 per cent this year and unemployment is expected to reach 20 per cent by 2010. The economic slump has the potential to affect political-military relations inasmuch as the GOS is feeling pressure to prevent further job losses, including potential cuts in DOD contracts.

//AGREEMENT ON DEFENSE COOPERATION//

¶ 10. (C) MOD staff do not expect Chacon to discuss the future of the ADC. If raised, we believe the Defense Minister could lay out a broad way ahead on this issue, and we understand her staff has advised her that only minor changes or technical adjustments are necessary. The current ADC is in effect until February 2011 and three potential directions exist: complete re-negotiation, minor improvements, or continue as is with automatic extension. Secretary General for Defense Policy (SEGENPOL) Luis Cuesta indicated June 18 to OSD staff Spain's overall satisfaction with the ADC (ref A). Spanish interlocutors have further advised us even "improvements" are off the table until the middle of 2010, once Spain's EU presidency is completed. In fall 2008, however, Chacon had raised the idea of elevating the status of the document from an international agreement to treaty (refs D and E). We believe U.S. efforts and those of her own staff have dissuaded her of that notion.

//POSSIBLE CUTBACKS AT ROTA AND MORON//

¶ 11. (C) Minister Chacon's visit presents an opportunity to reiterate how much we value the use of Rota and Moron.

Access to both bases is an excellent example of a balanced and mature defense relationship that brings great security benefits to both our countries and serves as a cornerstone of the larger bilateral relationship. Nonetheless, the U.S. Air Force in Europe (USAFE) has been deliberating since 2006 and is in the final stages of a pre-decisional draft plan to cut costs at Moron by eliminating several hundred Spanish jobs. Assuming USAFE pursues the matter, the plan will be considered by the highest levels of the GOS and could end up costing a lot more financially and politically than the Air Force is likely to save annually. Relatively minor labor issues involving Spanish employees at those bases go straight to the Presidency. The potential for massive personnel cuts resulting from cost reductions at Moron and simultaneous budget cuts at Rota would rise to Zapatero's level. Coupled with unemployment at 18 per cent and rising -- the highest in the European Union -- and a severe recession, such changes could cause a number of problems, the least of which might be a complete re-look at the ADC. Strikes and lawsuits are possible. Other possible ramifications of large manpower cuts include strained relations, anti-American sentiment, impact on the ease of operations on these bases including complications for aircraft clearances (currently 6,000/year), and attempts to mitigate financial losses in the form of additional taxes and landing fees. DOD should also consider the potential impact on current military operations of, in one worst-case scenario, the forced removal by GOS of all U.S. forces from Moron. The autonomous community where the bases are located is a key stronghold of the President's party (indeed, the "governor" of that region was elevated in April to the President's cabinet). Any attempt in tough

economic times to cut several hundred Spanish contract jobs at the bases would be controversial and would at a minimum diminish GOS interest in allowing us continued access. While we have no indications that Minister Chacon is aware of the Moron possibility at this time, the Embassy is discussing scenarios with USAFE and so many people know about the issue that we should be prepared for the possibility the Spanish might have gotten wind of it. If and when they do, we should expect significant political blowback that could bleed over into other areas of the mil-mil relationship (indeed, into the entire bilateral relationship).

//PALOMARES//

¶12. (C) One issue Chacon might possibly raise is GOS interest in USG participation in a final cleanup of the Palomares radiation site that was contaminated in 1966 when three hydrogen bombs fell near the town of Palomares after a collision of a USAF B-52 and a USAF refueling tanker aircraft. The site was cleaned according to standards of the time, and radioactive soil and vegetation was shipped to the United States. The Department of Energy has helped fund health and environmental monitoring for decades, along with a recently completed GOS study that outlined the considerable amount of remaining contamination. The Spanish Embassy sent a diplomatic note in March asking for USG participants in a working group to define collaboration responsibilities for a final cleanup. The USG has not responded, and post understands that DOD is seeking to determine its position. In reftel G, Post recommended an interagency meeting to determine a USG response. Minister Chacon has not been closely involved in the issue in the past, but the Foreign Ministry's Director General for North American Affairs raised the issue with EUR A/S Gordon in a recent meeting, and GOS frustration over the lack of a response to the diplomatic note may lead Chacon to do so as well.

//AFGHANISTAN//

¶13. (C) Spain has invested about 300 million Euros in Afghanistan, including development assistance pledged since 2006 and more recent monetary support pledged since March to the Election Trust Fund and the ANA Trust Fund. Spanish officials have also indicated Spain will contribute more money for infrastructure (road from North-South of RC-W) in excess of Spain's London Conference pledge (ref A). Militarily speaking, Spain has deployed more than 800 troops under ISAF. Spain shares responsibility with the Italians for a Forward Support Base in Herat, where it has two OMLTs, and is running a provincial reconstruction team in Qal-e-Now, in Badghis province. The Spanish have begun construction on

a base for the ANA battalion Spain is sponsoring and, adjacent to that facility, a new facility for the PRT. In Post's assessment, Spain is doing what it does well, but could do even more.

¶14. (C) Minister Chacon testified before the Spanish Congressional Defense Committee and secured parliamentary authorization and funding June 17 for Spanish contributions to the Elections Security Forces (ESF), scheduled to deploy temporarily in support of Afghan elections for three to four months. In addition to the 450 temporary troops for the Afghan elections (to be deployed in mid-July), the Committee authorized longer-term deployments of 70 guards for Kabul International Airport and 12 instructors to train the Afghan National Army. The authorization also included 33 armored vehicles to increase the total number of Spanish armored vehicles in Afghanistan to 93. Chacon requested and received funding for the 450-troop battalion to stay one month beyond the elections, to allow for a second round of voting, if necessary. COMMENT: It is possible a company (out of a battalion to be dedicated to the ESF) may remain in Afghanistan after the 3-4 month timeframe is completed, pending the security situation following the elections, when Spain would determine whether it should or could leave some of its ESF battalion behind. END COMMENT. Regardless of

what happens with the ESF, Spain will take the lead for security operations at Kabul International Airport (KAIA) from the Polish contingent from October 2009 through April 2010, and Spain will provide 40 Civil Guard personnel to either NTM-A or European Gendarmerie Force (EGF) (ref A).

¶115. (C) Spanish Chief of Defense GEN Rodriguez met in Kabul the week of June 22 with COMISAF General McChrystal. Spanish Joint Staff said the encounter could not have been better, describing it as "exceptional" and oriented to the future. Following on what the Spanish perceived to be a fruitful and positive visit both with COMISAF and with Commander of the Combined Security and Transition Command - Afghanistan (CSTC-A), General Formica, this July 1 meeting would be a key opportunity to ask directly at the highest level to underscore any stated COMISAF needs and expectations in the Spanish sector, reinforce military requirements which Spain could provide, and request Spain demonstrate leadership in other key areas. Possible opportunities that Spain could seize, if asked, include: extending promised Spanish election support in place beyond August 20; lengthening time between rotations to improve continuity in the regional command; expansion to the north; not moving Spanish helicopters from the PRT back to Herat; and following through on Spain's formalized sponsorship of Colombian troops to serve alongside Spanish forces in Badghis. If there is no possibility that the United States will fund airlift for Colombian troops going to serve with Spain's contingent in Afghanistan, we should be clear about our expectations and limitations, in order to avoid any hard feelings over the potentially earlier arrival of any U.S.-sponsored Colombian Special Forces.

¶116. (C) COMMENT: In the lead up to the strategic review of U.S.-Afghanistan policy, Spanish leadership here in Madrid stressed that Spain needed to be asked directly and at the highest level for more support in Afghanistan. Absent a very direct request to fulfill requirements in RC-West or elsewhere, Spanish officials can claim to be off the hook. Even with a high-level political intervention, the Spanish may resist additional contributions or plead a lack of Spanish public support for the mission. That being said, without a high-level discussion, we are nearly certain that none of the election support forces will stay in ISAF after the Afghan election. This is our opportunity to tell Minister Chacon exactly what else Spain could do, at a time when she needs to maintain the upward trend in her political standing. After receiving negative press over the Kosovo withdrawal, Chacon appears to be working consciously on improving her image and her media posture, and her Washington schedule positions her for critically important photo opportunities. We hope she has also learned something about proper consultation among Allies. Any number of the hot issues raised here, improperly handled in the current economic climate, could severely undermine Chacon, erode expressions of goodwill, and threaten our future operational effectiveness.

CHACON